

TARIFF ACTION MEMORANDUM

File: TA443-32

Date: March 3, 2022

Date TA Filed: February 22, 2022

Statutory End Date: April 8, 2022

Utility: Homer Electric Association, Inc.

Description: Annual Net Metering Update

Synopsis of Filing:

Homer Electric Association, Inc. (HEA) submits its annual Net Metering update reflecting the 2021 retail sales and total nameplate capacity for participating customers.

Tariff Recommendations:

Staff recommends the Commission:

- 1) Approve Tariff Sheet No. 28.6, filed by HEA on February 22, 2022, with TA443-32, as shown on Attachment JPM. The effective date of the tariff sheet should be April 8, 2022; and
- 2) For the net metering update due by March 1, 2023, require HEA to file the following information in the tariff advice letter: (a) total number of customers per customer class, (b) total number of customers per type of renewable generation, (c) total nameplate capacity per type of renewable generation, and (d) total energy (kWh) fed into the grid per type of renewable generation.

Reasons for the above indicated recommendation:

See attached memorandum.

Signed: John Paul Manaois Title: Common Carrier Specialist
Jess Manaois

Commission decision re this recommendation:

	DATE (If different than 3/3/2022)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT*
Pickett		<u>RMP</u>		
Kurber II		<u>KKI</u>		
Scott		<u>AGS</u>		
Sullivan		<u>DS</u>		
Wilson		<u>JW</u>		

Special Instructions to Staff:

*If this column is initialed, Staff will contact the Commissioner for the statement; otherwise, the dissent will simply be noted at the close of the By Direction Letter Order.

STATE OF ALASKA
The Regulatory Commission of Alaska
701 West 8th Ave., Suite 300
Anchorage, Alaska 99501-3469

M E M O R A N D U M

To: Robert M. Pickett, Chairman
Keith Kurber II
Antony G. Scott
Daniel A. Sullivan
Janis W. Wilson

Date: March 3, 2022

From: Jess Manaois, ^{JM}Common Carrier Specialist

Subject: TA443–32, Homer Electric Association, Inc.
Annual Net Metering Update

STATEMENT OF CASE

Homer Electric Association, Inc. (HEA) submits its annual net metering update reflecting the 2021 retail sales and total nameplate capacity for participating customers.

RECOMMENDATIONS

Staff recommends the Commission:

- 1) Approve Tariff Sheet No. 28.6, filed by HEA on February 22, 2022, with TA443–32. The effective date of the tariff sheet should be April 8, 2022;
- 2) For the net metering update due by March 1, 2023, require HEA to file the following information in the tariff advice letter: (a) total number of customers per customer class, (b) total number of customers per type of renewable generation, (c) total nameplate capacity per type of renewable generation, and (d) total energy in kilowatt-hours (kWh) fed into the grid per type of renewable generation.

BACKGROUND

HEA filed its annual net metering update on February 22, 2022.¹ On February 25, 2022, HEA filed additional information.² Because the filing is informational, Staff sought and the Chairman granted a waiver of the requirement to issue a public notice for the net metering update filing in TA443-32.³

¹*Tariff Advice No. 443–32 – Net Metering Report*, filed February 22, 2022 (TA443–32).

²See email from Mr. Draves, *TA443-32 HEA Supplemental Response*, dated February 25, 2022 (Supplemental Filing).

³See email from Chairman Pickett, *Waiver Request for 2022 Net Metering Filings in Compliance with 3 AAC 50.910(d)*, dated February 23, 2022.

ANALYSIS

Staff reviews a tariff filing to ensure compliance with applicable regulations (3 AAC 48.200-3 AAC 48.442).⁴ Staff also reviews proposed tariff sheets to ensure the stated text is easily understood, and the tariff provisions clearly and comprehensively describe and address the situation to which the tariff provision applies. When approving the tariff filing, the Commission must be assured that rates and services are just, reasonable, and non-discriminatory.⁵

Compliance Filing

HEA made this tariff advice filing in compliance with 3 AAC 48.200 – 3 AAC 48.430, addressing the filing of a tariff, and with [3 AAC 50.910](#)(d), which requires HEA to file, by March 1st of each calendar year, a tariff advice letter and tariff sheet stating the number of kilowatts (kW) equivalent to 1.5 percent of HEA's average retail demand for the previous calendar year, and the total nameplate capacity of eligible consumer generation systems participating in HEA's net metering program at the time of filing. The Commission approved HEA's request to increase its net metering capacity limit to 7.0 percent, effective October 1, 2020.⁶ Staff reviewed the proposed tariff language for consistency with the Commission regulations.

Proposed Tariff Sheet No. 28.6 updates the conditions of net metering service reflecting 2021 data:

- a. Average retail demand (calendar-year 2021): 52,675 kW⁷
- b. Allowed nameplate capacity of net metered generation facilities (7.0 percent of HEA's average retail system demand): 3,687 kW
- c. Nameplate capacity of all net metered customers receiving service on HEA's distribution system for 2021: 2,826 kW

There is still 861 kW of capacity that could be provided by future net metering customers based on the 2021 data provided by HEA.

2021 net metering service details

The Commission required additional net metering data from electric utilities that file net metering information in 2022.⁸ In letter orders that returned the approved net metering tariff sheets, the

⁴See 3 AAC 48.200-430, *Utility and Pipeline Tariffs*.

⁵See AS 42.05.291, *Standards of service and facilities*, AS 42.05.301, *Discrimination in service*, AS 42.05.381, *Rates to be just and reasonable*, AS 42.05.391, *Discrimination in rates*, and AS 42.05.411, *New or revised tariffs*.

⁶See [L2000344](#), effective October 1, 2020, and [L2000344E](#).

⁷For 2021, HEA had total kWh sold of 480,457,441 (Line 11 Form 7 12/31/21). This figure includes economy energy sales so 19,025,000 kWh (Line 8) is subtracted to reach 461,432,441 kWh of retail sales for 2021. Dividing by 8,760 yields 52,675 kW of average demand. The information can also be sourced from HEA's recently filed SRF for the test year ending December 31, 2021 (see Supplemental Filing).

⁸In 2021, Chugach Electric Association, Homer Electric Association, Matanuska Electric Association, Golden Valley Electric Association, and Alaska Power Company filed net metering tariff information. The Commission required all five utilities to provide the same additional net metering data for 2022. For HEA, Letter Order No. [L2100085](#), dated March 19, 2021, required HEA's 2022 net metering filing to include additional data about the net metering program.

Commission required that the utilities file the following additional information with regard to net metering for the next year:

- 1) total number of customers, per customer class that are participating in the net metering program;
- 2) total number of customers per type of renewable generation;
- 3) total nameplate capacity per type of renewable generation; and
- 4) total energy (kWh) fed into the grid per type of renewable generation.

Below is HEA's net metering data in response to the 2021 letter order:

Number of Net Metering Participants:

- Residential: 462
- General Service: 0
- Large General Service: 24
- **Total:** 486

Total Number of customer and nameplate capacity per type of generation:

- Solar: 452 @ 2,703 kW capacity
- Wind: 33 @ 120 kW capacity
- Biofuel: 1 @ 3.6 kW capacity
- **Total:** 2,826 kW capacity

Total energy fed into grid per type of renewable generation for 2021:

- Solar: 1,067,635 kWh
- Wind: 20,366 kWh
- Biofuel: 13 kWh
- **Total:** 1,088,014 kWh

For a year by year comparison:

	2019 ⁹	2020 ¹⁰	2021
Average retail demand (kW)	50,666	51,502	52,675
7% average retail demand (kW)	1,520 ¹¹	3,605	3,687
Nameplate capacity of net metering customers (kW)	1,224	2,143	2,826
Total participants	243	392	486
Total energy generated (kWh)	105,892	228,790	1,088,014

With regard to the substantial increase in total energy fed into the grid in 2021, HEA stated that it has revised its programming to access the mapping of the billing database to extract net metering generation data in 2021 versus 2020. HEA can now better determine the total amount of energy fed onto its grid. With net metering, not all electrons fed onto the grid by net metering participants are purchased by the utility, only those in excess of what the participant has pulled from the utility. HEA can now accurately determine these flows in addition to those that would be represented from just utility purchases. Essentially 2021 data now reflects a complete picture of activity

⁹TA426–32, filed January 29, 2020.

¹⁰TA435–32, filed February 17, 2021.

¹¹TA418-32 Letter Order No. [L1900244](#) approved a waiver request to allow for a higher limit of 3.0% (1,520 kW) from 1.5% (760 kW).

feeding into HEA's system from net metering program participants.¹²

The additional net metering information filed by HEA is the same information required of other utilities that participate in the net metering program. Staff believes the additional information allows the Commission to better understand the potential impacts of net metering on customers, utilities, and current regulations, and therefore recommends the Commission continue to request the information.

The filing in TA443–32 meets the requirements of 3 AAC 50.910(d), with Tariff Sheet No. 28.6 updating the number of kilowatts equivalent to 1.5 percent of HEA's average retail demand for 2021, and the total nameplate capacity of eligible consumer generation systems participating in the net metering program at this time. Accordingly, Staff recommends Tariff Sheet No. 28.6 be approved.

CONCLUSION

The proposed Tariff Sheet No. 28.6 submitted by HEA meets the requirements of 3 AAC 50.910(d), therefore Staff recommends the Commission approve Tariff Sheet No. 28.6, filed on February 22, 2022, effective April 8, 2022.

For the 2023 annual net metering filing, Staff recommends the Commission require HEA to provide the following additional net metering data:

- (a) total number of customers per customer class,
- (b) total number of customers per type of renewable generation,
- (c) total nameplate capacity per type of renewable generation, and
- (d) total energy (kWh) fed into the grid per type of renewable generation.

Signature: 

Email: bob.pickett@alaska.gov

Signature: 
Keith Kurber II (Mar 3, 2022 09:22 AKST)

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Signature: 

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Daniel Sullivan (Mar 3, 2022 14:51 AKST)

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¹²Supplemental Filing.

RCA No. 32 Eleventh Revision **Sheet No.** 28.6
Canceling Tenth Revision **Sheet No.** 28.6

RECEIVED
FEB 17 2021
STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA

HOMER ELECTRIC ASSOCIATION, INC.

Section 4.10 (continued)

A Member will not be required to carry liability insurance with HEA as a named insured as long as the Project meets the requirements provided in the Interconnection Requirements specified in Section 4.10(c).

- (g) Pursuant to 3 AAC 50.910(d), the Association's Average Retail Demand, maximum allowed nameplate capacity of eligible net metered generation facilities, and total nameplate capacity of net metered customers are:
- | | | |
|---|-----------|----|
| a. Calendar year 2020 Average Retail Demand..... | 51,502 kW | TI |
| b. Net metered maximum allowed nameplate capacity | 3,605 kW* | I |
| c. Net metered Member's nameplate capacity | 2,143 kW | I |

* 1.5% of 2020 Average Retail Demand is 773 kW. The waiver requested in TA432-32 allows for the higher limit of 3,605 kW.

Tariff Advice No: **TA 435-32** **Effective:** **April 5, 2021**

Issued By: **HOMER ELECTRIC ASSOCIATION, INC.**
3977 Lake Street, Homer, AK 99603

By: Bradley P. Janorschke **Title:** General Manager

RCA No. 32 Twelfth Revision **Sheet No.** 28.6
Canceling Eleventh Revision **Sheet No.** 28.6



HOMER ELECTRIC ASSOCIATION, INC.

Section 4.10 (continued)

A Member will not be required to carry liability insurance with HEA as a named insured as long as the Project meets the requirements provided in the Interconnection Requirements specified in Section 4.10(c).

- (g) Pursuant to 3 AAC 50.910(d), the Association's Average Retail Demand, maximum allowed nameplate capacity of eligible net metered generation facilities, and total nameplate capacity of net metered customers are:
- | | | |
|---|-----------|----|
| a. Calendar year 2021 Average Retail Demand..... | 52,675 kW | TI |
| b. Net metered maximum allowed nameplate capacity | 3,687 kW* | I |
| c. Net metered Member's nameplate capacity | 2,826 kW | I |

* 1.5% of 2021 Average Retail Demand is 790 kW. The waiver requested in TA432-32 allows for the higher limit of 3,687 kW.

Tariff Advice No: **TA 443-32** **Effective:**

Issued By: **HOMER ELECTRIC ASSOCIATION, INC.**
3977 Lake Street, Homer, AK 99603

By: Bradley P. Janorschke **Title:** General Manager